



STATE OF MAINE
DEPARTMENT OF EDUCATION
23 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0023

PAUL R. LEPAGE
GOVERNOR

WILLIAM H. BEARDSLEY
DEPUTY COMMISSIONER

Exhibit #VI.A.

TO: Members of the State Board of Education

FROM: William H. Beardsley, Deputy Commissioner*

DATE: June 15, 2016

SUBJECT: Federal Qualified Zone Academy Bond Program

STATEMENT OF FACT

The Department of Education coordinates the Federal Qualified Zone Academy Bond (QZAB) program. QZABs are bonds issued by state or local governments which the Federal government subsidizes by providing tax credits to bondholders. Maine has QZAB allocations from 2015 and 2016 totaling \$2,898,000 available for distribution to school units.

Three school administrative units submitted QZAB applications to the Department requesting bonding authority and the Department has completed its review of the applications. The applicants certified that they will meet the Federal requirements of the QZAB program including having a 35% free and reduced lunch rate at the school, receiving a private contribution worth 10% of the bond proceeds, and using bond proceeds for rehabilitation or repair of school buildings, purchasing equipment, developing course materials, and/or training teachers and other school personnel. The applications were reviewed and prioritized based on previous issuance of QZABs by the school unit, financial and demonstrated need for the proposed use of funds, and the proposal's impact on students.

CONSTRUCTION COMMITTEE'S RECOMMENDATION

The Construction Committee considered this exhibit at its June 3, 2016 meeting and voted to recommend that the State Board of Education approve the QZAB applications for projects in RSU 41/MSAD 41 and RSU 13 and authorize issuance of QZABs for up to the amounts shown on the accompanying list "2016 QZAB Recommended Approvals."

COMMISSIONER'S RECOMMENDATION

The Commissioner recommends that the State Board of Education approve the QZAB applications for projects in RSU 41/MSAD 41 and RSU 13 and authorize issuance of QZABs for up to the amounts shown on the accompanying list "2016 QZAB Recommended Approvals." The total QZAB authorization amount is \$2,898,000.

*Prepared by the Division of School Facilities